

Message Text

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ACTION INR-07

INFO OCT-01 EUR-12 ISO-00 CIAE-00 /020 W
-----088517 032245Z /64

R 030958Z SEP 77
FM AMEMBASSY BERLIN
TO SECSTATE WASHDC 5527

C O N F I D E N T I A L BERLIN 07101

E.O. 11652: GDS
TAGS: EGAR, EGEN, GE
SUBJECT: INTERSHOP SYSTEM.

REF: STATE 206283

1. THE FOLLOWING RESPONDS TO C-ER-7-51242.
2. PLEASE SEE BERLIN'S A-50 OF MAY 12, 1977 "EAST GERMAN
HARD CURRENCY ECONOMY EXPANDS".
3. EMBASSY IS NOT AWARE OF ANY FRESH PRODUCE BEING SOLD
IN INTERSHOPS. OUR IMPRESSION IS THAT THE INTERSHOP NET-
WORK AND THE RANGE OF GOODS ON SALE ARE BOTH EXPANDING.
WE DO NOT VIEW THE INTERSHOP SYSTEM AS A SUBSTITUTE FOR
NORMAL DISTRIBUTION SYSTEM FOR "FOOD OR CONSUMER GOODS IN
SHORT SUPPLY". IT IS, RATHER, A SOURCE OF DESIRABLE
IMPORTED PRODUCTS ABSOLUTELY UNAVAILABLE ON THE EAST
MARK ECONOMY, E.G. LEVI'S, PAL-SECAM COLOR TELEVISION
RECEIVERS, FIAT AUTOMOBILES, POCKET CALCULATORS, AS WELL
AS TRADITIONAL ALCOHOL, COSMETICS AND CANDY ITEMS.
4. THE INTERSHOP SYSTEM HAS DECLINED TO MAKE AVAILABLE TO
US A PRICE LIST.
5. CONSUMER REACTION TO THE EXPANSION OF THE INTERSHOP
SYSTEM IS DIFFERENTIATED ON THE BASIS OF WHETHER THE

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CONSUMER IN QUESTION CAN GET HOLD OF HARD CURRENCY. MIDDLE
LEVEL PARTY MEMBERS ARE REPORTEDLY IRRITATED THAT THEIR
POSTS BRING NO PARTICULAR ADVANTAGES IN THE CONSUMER
SPHERE, AND FORBID THE WESTERN CONTACTS THAT MIGHT
BRING THEM HARD CURRENCY. AS REPORTED PREVIOUSLY, THERE
IS AN INCREASING TENDENCY ON THE PART OF REPAIRMEN AND
CRAFTSMEN TO DEMAND HARD CURRENCY FOR THE MOONLIGHTING

THEY USED TO DO FOR EAST MARKS AND VODKA. EAST GERMAN UNFORTUNATES WITHOUT WESTERN RELATIVES OR SKILLS MARKET-ABLE ON THE HARD CURRENCY ECONOMY ARE GENERALLY CRITICAL OF THE INTERSHOP SYSTEM. WE HAVE NOT FELT AN UPSURGE OF BLACK MARKET ACTIVITY, BUT WE HAVE HEARD THAT EAST GERMANS ARE BECOMING INCREASINGLY BLATANT AND INSISTENT IN SOLICITING CONTRIBUTIONS OF HARD CURRENCY FROM VISITING WESTERN RELATIVES.

6. THE GOVERNMENT AND PARTY ARE CERTAINLY RECONCILED TO AN INTERSHOP SYSTEM OF AT LEAST PRESENT DIMENSIONS. WE HAVE QUERIED A NUMBER OF GOVERNMENT AND PARTY OFFICIALS ABOUT THEIR VIEW ON THE INTERSHOP SYSTEM. THEY REPLY THAT IT IS FAR FROM IDEAL FROM AN IDEALOGICAL STANDPOINT, BUT THE STATE NEEDS THE HARD CURRENCY, AND BETTER THAT IT BE SPENT OPENLY AND LEGALLY THAN PUSHED BACK INTO ILLEGAL CHANNELS.

7. ON POTATOES, EMBASSY CANNOT AT PRESENT CONFIRM OR REFUTE REPORTS OF SHORTAGES IN RURAL AREAS, BUT WILL TRY TO DEVELOP INFORMATION IN THE COURSE OF TRAVEL SCHEDULED FOR THE NEXT WEEKS. POTATOES APPEAR ADEQUATE IN QUANTITY AND QUALITY IN EAST BERLIN. WEST GERMAN TELEVISION HAS REPORTED A BUMPER POTATO CROP AND NEAR GLUT IN THE FEDERAL REPUBLIC. WE DO NOT YET KNOW TO WHAT, IF ANY, EXTENT THESE CONDITIONS EXTEND TO THE GDR. BOLEN
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMODITIES, CONSUMER PROTECTION, BLACK MARKETS, RETAIL PRICES
Control Number: n/a
Copy: SINGLE
Sent Date: 03-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770320-1133
Format: TEL
From: BERLIN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770999/aaaadftu.tel
Line Count: 94
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: ec4afb4d-c288-dd11-92da-001cc4696bcc
Office: ACTION INR
Original Classification: CONFIDENTIAL
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Original Previous Classification: n/a
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SAS ID: 1392730
Secure: OPEN
Status: NATIVE
Subject: INTERSHOP SYSTEM.
TAGS: EAGR, EGEN, GC
To: STATE
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